

Notes of a meeting of the Cabinet Scrutiny Committee Informal Member Group on Budgetary Issues held on Thursday, 11 September 2008.

Present: Mr D Smyth (Chairman), Mrs T Dean and Mr J Simmonds.

Also Present: Mr N J C Chard, Cabinet Member for Finance, Mr G Gibbens, Cabinet Member for Adult Social Services.

OFFICERS: Miss M Goldsmith, Directorate Finance Manager (KASS), Mr O Mills, Managing Director, KASS, Ms L McMullan, Director of Finance, Mr S Leidecker, Director of Operations (KASS), Mr A Wood, Head of Financial Management, Mr N Smith, Head of Development Investment and Ms D Fitch, Assistant Democratic Services Manager (Policy Overview).

The Chairman welcomed Mr Simmonds to his first meeting of the IMG.

1. Notes of Previous Meeting held on 31 July 2008.
(Item 1)

The notes of the meeting held on 31 July 2008 were approved.

2. Responses to Previous Requests for Further Information

(1) The Committee received papers on Home to College Transport, Dedicated Schools Grant, Highways Claim Data and an additional paper on the Managed Service Events/Timescales for Establishing Kent Top Temps.

Home to College Transport

(2) Mrs Dean requested further information clarifying whether this was a statutory responsibility, how many people this service covered, whether it was advertised to parents and what the exceptions were to granting this.

Dedicated Schools Grant

(3) In response to a question from Mrs Dean, Ms McMullan undertook to provide confirmation as to whether the academies received the same per capita rate as LEA schools and also information on the discussions with Lord Adonis in relation to financial support for academies.

Kent Top Temps

(4) Ms McMullan at the request of Mrs Dean, confirmed that the mandate requiring County Council officers to seek temporary employees from Kent Top Temps was given on 2 May 2008.

(5) It was agreed that a paper would be brought to a future meeting of the Budget IMG clarifying the wording of the guidance given to officers in February 2008 regarding Kent Top Temps.

(6) The information supplied to Members was noted.

3. KASS Direct Payments

(Item 3)

(Mr Mills, Ms Goldsmith, Mr Leidecker and Mr Gibbens were present for this item)

(1) Mr Mills introduced the report which set the context for direct payments in Kent.

(2) Mr Smyth asked what proportion of Adult Social Services Clients were in receipt of a direct payment, Mr Mills estimated that approximately 10% of the client base were receiving a direct payment. Mr Leidecker explained that some clients received a mixture of part direct payment and part traditional services. It was pointed out that many clients still preferred the local authority to make arrangements for them rather than receiving a direct payment.

(3) Mr Leidecker informed Members that the Government had established 13 individual budget pilots which were due to report in the Autumn.

(4) Mrs Dean referred to the slow progress of getting people to move towards direct payments and asked what officers felt was the most effective way of moving this forward. Mr Mills stated that there had always been an acknowledgement that there was a cultural aspect to this. However, Kent in comparison with other local authorities was in the top band for take up of direct payments. An important aspect in the take up of direct payments was encouragement via word of mouth. It was important to make the offer of a direct payment to clients and to paint a positive picture of how it could assist them. A key part of this was the Kent Card and a lot of work had been done with providers, including a conference which had been held earlier in the year with 400 providers to describe what the future was likely to be with personal budgets.

(5) Mr Simmonds asked whether how we ensured that direct payments were only used in appropriate cases and how vulnerable people were safeguarded when they were accessing their services via a direct payment.

(6) Mr Mills stated that overall research indicated that where people had a choice and control over their services, they were better able to support themselves to live independently. He reminded Members that in order to access a direct payment it was necessary to have a needs assessment and to meet the eligibility criteria. The Authority had a responsibility to review this regularly. He explained that there was a balance to be struck between safety and freedom of choice. Part of the local authority's responsibility was to see that the individual was protected from financial and other abuse.

(7) In response to a question on the audit capacity to monitor those in receipt of direct payments, Mr Mills explained that provided the recipient met the eligibility criteria of assessed needs they would have services arranged for them or be given the a direct payment so that they could make their own arrangements. The local authority had responsibility in relation to the quality of care and the outcome and therefore KASS continued to review and check how the money was used. Mr Leidecker stated the majority of Kent Adult Social Services clients had complex needs and were dependent on the services. They realised the implications of not arranging services to meet their needs if they were in the receipt of direct payment.

(8) Mrs Dean asked whether there had been occasions when it was necessary to intervene and Mr Leidecker replied that this had happened on rare occasions.

(9) In response to a question from Mr Smyth, Mr Mills reminded Members that there were other people who had assets or income which meant that they were self funders and in effect provided their own direct payment privately. There were risks for them in relation to direct payments in the same way as others. The local authority had a responsibility for safeguarding all adults in Kent including self funders.

(10) Mr Smyth referred to the competitive price that was gained through bulk purchase of services and asked whether direct payments reduced KASS's ability to bulk purchase services. Mr Mills stated that in relation to direct payments, the Authority did not pay any more for care than they would pay for the traditional service. Bulk buying savings were ensured by competitive tender and many people on direct payments were pleased with the services that they were able to purchase via KCC. He acknowledged that this was something that needed to be monitored carefully.

(11) Mr Mills referred to the Government's "resource allocation system" model where points were allocated in relation to a persons need and then money allocated to points. He stated that although this was a good idea there was little evidence at this stage of where across the country it was fully operational. The move to any new system for allocating resources would require a long transition period.

(12) Mr Leidecker stated that it was Government policy to use the power of consumers to drive up standards of providers. There was evidence that providers understood direct payments and that they knew that they may have to adapt services to accommodate them.

(13) In response to a question from Mrs Dean, Mr Leidecker stated that the Swift System had been stable for a number of months and there was a good dialogue taking place with ISG about the replacement system.

(14) Members agreed to note the report.

4. Local Area Agreement – Reward Scheme

(Item 6)

(Ms McMullan and Mr Wood were present for this item)

(1) A revised version of the report was circulated at the meeting. Mr Wood highlighted the main difference with the revised paper as being the change in language and on question 8, there was an additional point relating to PRG and the understanding when it was set up that as authorities met targets there would be a transfer of resources. There was no evidence that this had happened anywhere in the country. Ms McMullan stated that in order for PRG to be something worthwhile having, the area based grant should be wider, for example DSS and preventative health money should be involved in order to get incentives across the piece.

(2) Mrs Dean stated that there may be more success if Government was approached on individual projects. In relation to this, Ms McMullan suggested that could be targeted at firstly getting people off benefits and into work and secondly, the care of the elderly across the care and health service divide. It was important to get a Kent deal set out which made it clear that if we achieved our targets, there would be a collective gain.

(3) Mr Chard emphasised the importance of incentives within the PSA system to create a virtual circle. He identified one key issue with the current system as the silo mentality of Central Government departments. Mr Smyth stated that he remained to be convinced.

(4) The response circulated at the meeting was endorsed.

5. Impact of Housing Market on Development Contributions
(Mr N Smith was present for this item)

(1) Mr Smith presented a paper which outlined the current economic context of the housing market in relation to future provision of infrastructure and the financial implications for KCC service providers. In particular, Mr Smith asked the Committee to consider the issues around KCC contributions from the developers of Charter House, Ashford and Martello Lakes, Nickols Quarry, Hythe. He proposed a way forward in relation to both of these cases.

(3) Members agreed the following:-

- (a) that Mr Smith be supported in the way that he proposed to ensure the best outcomes for KCC in relation to the two schemes;
- (b) that the Cabinet Scrutiny Committee consider whether to set up an IMG either of Cabinet Scrutiny or request that one be set up of Corporate Policy Overview Committee to consider and give cross-party guidance on specific cases brought to it by the Head of Development Investment and that this IMG also invite the relevant Local Member(s) to attend when items are discussed.

5. 2008/09 Revised Reporting Timetable
(Item 7)

(1) Members noted the report.

6. Autumn Budget Statement and detailed monitoring report
(Items 4 & 5)

(1) It was agreed that consideration of these items would be deferred. It was suggested that these should be considered at the next meeting of the Cabinet Scrutiny Committee, if there was room on the agenda. If this was not possible then a special meeting of the Budget IMG would be called to consider these two reports.